

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 0 — 0 1 0

2. STATE:

Arkansas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

May 18, 2000

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR Part 447, Subpart F

7. FEDERAL BUDGET IMPACT:

a. FFY 2000 \$ 37,716,863.00

b. FFY 2001 \$ 39,430,489.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Please see attached listing

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

Please see attached listing

10. SUBJECT OF AMENDMENT:

Arkansas State Operated Teaching Hospitals shall qualify for an outpatient reimbursement  
annual adjustment up to the total Medicare-related upper payment limit.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Ray Hanley

14. TITLE:

Director, Division of Medical Services

15. DATE SUBMITTED:

May 15, 2000

16. RETURN TO:

Division of Medical Services  
P. O. Box 1437  
Little Rock, AR 72203-1437Attention: Binnie Alberius  
Slot 1103**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

May 15, 2000

18. DATE APPROVED:

November 29, 2000

Deemed approved by function of the law

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

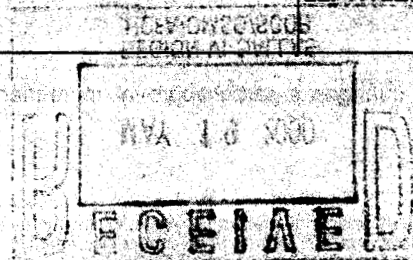
May 18, 2000

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:



**ATTACHED LISTING FOR  
ARKANSAS STATE PLAN  
TRANSMITTAL #00-010**

**8. Number of the Plan  
Section or Attachment**

Attachment 4.19-B, Page 1

Attachment 4.19-B, Page 1a

Attachment 4.19-B, Page 1aa

Attachment 4.19-B, Page 1aaa

**9. Number of the Superseded Plan  
Section or Attachment**

Attachment 4.19-B, Page 1  
Approved 11-22-99, TN 99-20

~~None, New Page~~

*99-10*

Attachment 4.19-B, Page 1a,  
Item 4, Approved 9-17-99, TN 99-10

Attachment 4.19-B, Page 1aa,  
Approved 9-17-99, TN 99-10

*New Page*

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -  
OTHER TYPES OF CARE

Revised: May 18, 2000

2.a. Outpatient Hospital Services

(1) Acute Care/General

Reimbursement is based on the lesser of the amount billed or the maximum Title XIX (Medicaid) charge allowed. The Title XIX (Medicaid) maximum was established utilizing 80% of the Blue Shield customary as reflected in their 10/90 publication.

For those procedures which Blue Shield did not have a comparable code, the rates were increased by 35%. The 35% represents the average overall increase for all services.

Effective for claims with dates of service on or after July 1, 1992, the Title XIX maximum rates were decreased by 20%.

(2) Pediatric Hospitals

Effective for claims with dates of service on or after April 1, 1992, outpatient hospital services provided at a pediatric hospital will be reimbursed based on reasonable costs with interim payments and a year-end cost settlement.

Arkansas Medicaid will use the lesser of the reasonable costs or customary charges to establish cost settlements. Except for graduate medical education costs and the gross receipts tax, the cost settlements will be calculated using the methods and standards used by the Medicare Program. The gross receipts tax is not an allowable cost. Graduate medical education costs are reimbursed based on Medicare cost rules in effect prior to the September 29, 1989, rule change.

(3) Arkansas State Operated Teaching Hospitals

Effective for cost reporting periods ending June 30, 2000 or after, outpatient hospital services provided at an Arkansas State Operated Teaching Hospital will be reimbursed based on reasonable costs with interim payments in accordance with 2.a.(1) and a year-end cost settlement.

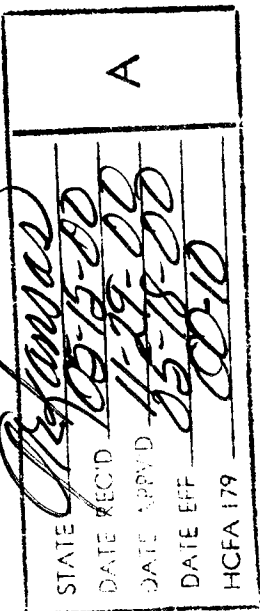
Arkansas Medicaid will use the lesser of the reasonable costs or customary charges to establish cost settlements. Except for graduate medical education costs, the cost settlements will be calculated using the methods and standards used by the Medicare Program. Graduate medical education costs are reimbursed as described in Attachment 4.19-A, Page 8a for inpatient hospital services.

Effective May 18, 2000, Arkansas State Operated Teaching Hospitals shall qualify for an outpatient reimbursement adjustment. Payment for SFY 2000 will be prorated proportional to the number of days between May 18, 2000 and June 30, 2000 to the previous State Fiscal Year (SFY). Payment shall be made within 15 days after the end of the quarter for the previous quarter. The adjustment will be calculated and based on the previous SFY's outpatient Medicare-related upper payment limit (UPL) for as identified Medicaid reimbursed outpatient services and will be determined from all (not just the Arkansas State Operated Teaching Hospital's) hospital outpatient departments' and non-hospital providers' reimbursed services. The adjustment will be calculated as follows:

\$ \_\_\_\_\_ State's total Medicare-related upper payment limit (UPL) for Medicaid reimbursed services (see list of services on following page) provided by:

SUPERSEDES: TN -

*1720*



METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -  
OTHER TYPES OF CARE

Revised:

May 18, 2000

2.a. Outpatient Hospital Services (continued)

(3) Arkansas State Operated Teaching Hospitals (continued)

All hospital outpatient departments and  
All non-hospital providers for services which could also have been provided through  
hospital outpatient departments

(\$ ) Less: Total Medicaid reimbursement for these services

\$ Adjustment Amount

The following Service Groups and Types of Service will be included in the  
calculation:

<u>Service Group</u>	<u>Type of Service</u>
Outpatient Hospital	Outpatient Hospital
Outpatient Hospital	Outpatient Rehab Hospital
Other Services	Home Health Services
Other Services	Hospice
Other Services	Private Duty Nurse, EPSDT
Other Services	Private Duty Nursing Services
Therapy	Therapy – Individual/Regular Group
Physician Services	Physician Services
Physician Services	Surgery
Physician Services	Maternity/Physician Program Costs
Physician Services	Ophthalmologist
Physician Services	Ophthalmologist, Medical Services
Physician Services	Physician Transplant Services
Dental Services	Dental Services
Dental Services	Dental Services, EPSDT
Dental Services	Oral Surgery – Physician
Dental Services	Oral Surgery – Dentist (ADA Codes)
Other Practitioners	Chiropractor
Other Practitioners	CRNA
Other Practitioners	Nurse Midwife
Other Practitioners	Optometrist/Oculist
Other Practitioners	Nurse Practitioner Program
Other Practitioners	Audiologist
Other Practitioners	Psychologist
Clinics and Programs	Ambulatory Surgical Centers
Clinics and Programs	Maternity Clinic
Clinics and Programs	Other Clinic Services
Lab and Xray	Radiologist
Lab and Xray	Pathologist
Lab and Xray	Independent Lab

*TH 99-10*  
~~SUPERSEDES: NONE - NEW PAGE~~

A				
STATE	DATE REC'D	DATE APP'D	DATE DEF	HCFA 179
Arkansas	05-15-00	11-29-00	05-18-00	

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM  
STATE ARKANSAS

ATTACHMENT 4.19-B  
Page 1aa

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -  
OTHER TYPES OF CARE

Revised:

May 18, 2000

2.a. Outpatient Hospital Services (continued)

(3) Arkansas State Operated Teaching Hospitals (continued)

Lab and Xray	Independent Xray
Lab and Xray	Health Dept./Communicable Disease
EPSDT	EPSDT - Screening
EPSDT	EPSDT - Immunizations
EPSDT	EPSDT - Psychology Services
EPSDT	DMS - Expansion - EPSDT
EPSDT	Prosthetic Devices - EPSDT
EPSDT	Orthotic Appliances - EPSDT
EPSDT	EPSDT - Podiatry
EPSDT	ARKids - Immunizations
Other Care Services	Domiciliary Care
Other Care Services	Eyeglasses
Other Care Services	Hearing Aid
Other Care Services	Ventilator
Other Care Services	Hyperalimentation
Other Care Services	Hemodialysis

For each outpatient service that is provided by hospital outpatient departments and non-hospital providers included in the adjustment calculation, the Medicaid expenditures for these services are divided by 80 percent to estimate the amount that would have been paid using Medicare reimbursement principles.

(4) Augmentative Communication Device Evaluation

Effective for dates of service on or after September 1, 1999, reimbursement for an Augmentative Communication Device Evaluation is based on the lesser of the provider's actual charge for the service or the Title XIX (Medicaid) maximum. The XIX (Medicaid) maximum is based on the current hourly rate for both disciplines of therapy involved in the evaluation process. The Medicaid maximum for speech therapy is \$25.36 per (20 mins.) unit x's 3 units per date of service (DOS) and occupational therapy is \$18.22 per (15 mins.) unit x's 4 units per DOS equals a total of \$148.96 per hour. Two (2) hours per DOS is allowed. This would provide a maximum reimbursement rate per DOS of \$297.92.

STATE	<u>Arkansas</u>	A
DATE REC'D	<u>05-15-00</u>	
DATE APP'D	<u>11-27-00</u>	
DATE EFF	<u>05-18-00</u>	
HCFA 179	<u>00-10</u>	

SUPERSEDES: TN - 99-10

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM  
STATE ARKANSAS

ATTACHMENT 4.19-B  
Page 1aaa

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -  
OTHER TYPES OF CARE

Revised:

May 18, 2000

- 2.b. Rural Health Clinic Services and other ambulatory services that are covered under the plan and furnished by a rural health clinic.

Provider-Based

Superseded By

AR-01-04

Reimbursed in the interim utilizing a cost-to-charge ratio with a year-end cost settlement. This cost-to-charge ratio and the cost settlement are calculated using the applicable Medicare principles of reimbursement found in 42 CFR 413 ff. Provider-based Rural Health Clinics are required to report their costs on the cost report of the parent provider, e.g., hospital. Provider-based Rural Health Clinics are reimbursed at 100% of reasonable costs.

Independent (Free Standing)

Reimbursed at an interim rate with a year-end cost settlement. The interim rate and cost settlement are calculated using the applicable Medicare principles of reimbursement found in 42 CFR 413 ff. Independent (free standing) Rural Health Clinics are required to report their costs on the HCFA 222 cost reporting forms. Independent (free standing) Rural Health Clinics are reimbursed at 100% of reasonable costs for rural health clinic services.

Ambulatory services and/or Medicare/Medicaid claims are not cost reimbursed. Reimbursement is based on the lesser of the amount billed or the Title XIX (Medicaid) maximum. The State will pay the full amount of coinsurance and deductible for Medicare/Medicaid eligibles.

- 2.c. Federally qualified health center (FQHC) services and other ambulatory services that are covered under the plan and furnished by an FQHC in accordance with section 4231 of the State Medicaid Manual (HCFA-Pub. 45-4).

Reimbursement will be based on the applicable Medicare principles of reimbursement found in 42 CFR 413 ff. FQHCs will be required to report their costs on the Form HCFA-242. FQHCs will be reimbursed at 100% of reasonable costs.

STATE <u>Arkansas</u>		A
DATE REC'D	<u>05-15-00</u>	
DATE APP'D	<u>05-29-00</u>	
DATE EFF	<u>05-18-00</u>	
HCFA 179	<u>00-10</u>	

SUPERSEDES: TN - 97-10

SUPERSEDES: NONE - NEW PAGE